

## APPENDIX B

**RECONCILIATION REQUIREMENTS FOR THE  
ANNUAL FINANCIAL STATEMENTS**

The following are the required reconciliations. The first section shows the reconciliations within the annual financial statements (i.e., Balance Sheet to Balance Sheet or Balance Sheet to Statement of Changes in Net Position). The remaining three sections are reconciliations between the annual financial statements and the Report on Budget Execution, the Accounting Report (M) 1307, and the Report on Reimbursements (DD 725).

In each section, the lines listed under the left column should equal the statements and lines listed under the right column. Special considerations will be noted at the beginning of a section as well as throughout the section.

**Section I. Reconciliation Requirements for the Annual Financial Statements (General Fund and Working Capital Fund Reporting Entities)**

Annual Financial Statement		Annual Financial Statement	
<b>Balance Sheet</b>		<b>Balance Sheet</b>	
Total Assets	Line 3	Total Liabilities and Net Position	Line 10
<b>Statement of Changes in Net Position</b>		<b>Statement of Changes in Net Position (Prior Year Statement - FY 1998)</b>	
Net Position-Beginning of Period	Line 8	Net Position, End of Period	Line 9
<b>Statement of Budgetary Resources</b>		<b>Statement of Budgetary Resources</b>	
Total Budgetary Resources	Line 6	Total, Status of Budgetary Resources	Line 10
Obligations Incurred	Line 7	Obligations Incurred	Line 11
Spending Authority from Offsetting Collections	Line 4 <b>Plus</b>	Less: Spending Authority from Offsetting Collections	Less 12 ( <b>reverse sign</b> ) <b>plus</b> SF-133 Line 6 (plus a minus number)
Adjustments	Line 5		
<b>Statement of Budgetary Resources</b>		<b>Statement of Budgetary Resources - Prior Year Statement - FY 1998</b>	
Unobligated Balance - Beginning	Line 2	Unobligated Balances - Available	Line 8  <b>Plus</b>
		Unobligated Balances - Not Available	Line 9
Obligated Balance, Net - Beginning of Period	Line 13	Less: Obligated Balance, Net - End of Period	Line 15 ( <b>reverse sign</b> )
<b>Balance Sheet</b>		<b>Statement of Changes in Net Position</b>	
Total Net Position	Line 9	Net Position-End of Period	Line 9

Annual Financial Statement		Annual Financial Statement	
<b>Statement of Net Cost</b>		<b>Statement of Changes in Net Position</b>	
★Net Cost of Operations	Line 4	Net Cost of Operations	Line 1
<b>Statement of Net Cost</b>		<b>Statement of Financing</b>	
★Net Cost of Operations	Line 4	Net Cost of Operations	Line 5
<b>Statement of Changes in Net Position</b>		<b>Statement of Financing</b>	
Net Cost of Operations	Line 1	Net Cost of Operations	Line 5
<b>Statement of Budgetary Resources</b>		<b>Statement of Financing</b>	
Obligations Incurred	Line 7	Obligations Incurred	Line 1.A.
<b>Statement of Changes in Net Position</b>		<b>Statement of Financing</b>	
Transfers-In and Transfers-Out	Line 2.E. <b>plus</b> Line 2.F.	Transfers-In (Out)	Line 1.E.
<b>Statement of Budgetary Resources</b>		<b>Statement of Financing</b>	
Offsetting Collections	Line 12	Offsetting Collections	Line 1.B
<b>Statement of Budgetary Resources</b>		<b>Balance Sheet</b>	
Unobligated Balances - Available	Line 8 Plus	Fund Balance with Treasury	Line 1.A.1
Unobligated Balances - Not Available	Line 9 plus		
Obligated Balance, Net - End of Period	Less 15 (reverse sign) Less		
Contract Authority	FMS 2108 Column 11, sub-line 911 931 941 971		

Section II. Reconciliation Requirements for the Statement of Budgetary Resources and the Report on Budget Execution (SF-133) (General Fund and Working Capital Fund Reporting Entities)

Statement of Budgetary Resources		Report on Budget Execution (SF-133)	
Budget Authority	Line 1	Budget Authority	Line 1
Unobligated Balance - Beginning of Period	Line 2	Unobligated Balance	Line 2A
Net Transfers Prior-Year Balance, Actual (+/-)	Line 3	Net Transfers Prior-Year Balance, Actual (+/-)	Line 2B
Spending Authority from Offsetting Collections	Line 4	Spending Authority from Offsetting Collections (Gross)	Line 3
Adjustments	Line 5	Recoveries of Prior Year Obligations	Line 4 <b>plus</b>
		Temporarily Not Available	Line 5 <b>plus</b>
		Permanently Not Available	Line 6
Total Budgetary Resources	Line 6	Total Budgetary Resources	Line 7
Obligations Incurred	Line 7	Obligations Incurred	Line 8
Unobligated Balances - Available	Line 8	Unobligated Balance	Line 9
Unobligated Balances - Not Available	Line 9	Unobligated Balance Not Available	Line 10
Total, Status of Budgetary Resources	Line 10	Total Budgetary Resources	Line 11
Obligations Incurred	Line 11	Obligations Incurred	Line 8
Less: Spending Authority From Offsetting Collections and Adjustments	Line 12	Earned (Collections and Receivable from Federal Sources)	Line 3A <b>plus</b>
		Changes in Unfilled Customer Orders	Line 3B <b>plus</b>
		Transfers from Trust Funds	Line 3D <b>plus</b>
		Actual (Recoveries of Prior year Obligations)	Line 4A ( <b>reverse sign</b> )

Statement of Budgetary Resources		Report on Budget Execution (SF-133)	
Obligated Balance, Net - Beginning of Period	Line 13	Obligated Balance, Net as of 1 October	Line 12
Obligated Balance Transferred, Net	Line 14	Obligated Balance Transferred, Net	Line 13
Less: Obligated Balance, Net - End of Period	Line 15	Obligated Balance, Net, End of Period	Line 14 ( <b>reverse sign</b> )
Total Outlays	Line 16	Outlays	Line 15

Section III. Reconciliation Requirements for the Annual Financial Statement and the Accounting Report (M) 1307 (Working Capital Fund Reporting Entities Only)

Note: There may be differences between the consolidated level of the Annual Financial Statement and the Accounting Report (M) 1307 because of eliminating entries for revenue, expenses, accounts receivable and accounts payable. However, the differences should reconcile to the eliminating entry value.

Annual Financial Statement		Accounting Report (M) 1307	
Balance Sheet		Statement of Financial Position	
Fund Balance with Treasury	Line 1.A.1 <b>plus</b> Line 2.A.1	Fund Balance with Treasury	Line 1
★Accounts Receivable, Net	Line 1.A.3 <b>plus</b> Line 1.B <b>plus</b> Line 2.A.2 <b>plus</b> Line 2.B	Accounts Receivable, Net	Line 3
Total Assets	Line 3	Total Assets	Line 11
★Accounts Payable	Line 4.A.1 <b>plus</b> Line 4.B <b>plus</b> Line 5.A.1 <b>plus</b> Line 5.B	Accounts Payable	Line 12.a.
Note: If there is a difference between the ANNUAL Financial Statement value and the AR 1307 for accounts payable, check GLAC 2130 , which is included in accounts payable on the ANNUAL financial statement and it is included in the AR 1307, line 12.g.			
★Total Liabilities Covered by Budgetary Resources	Line 4.F	Total Liabilities Covered by Budgetary Resources	Line 12.h.
★Total Liabilities not Covered by Budgetary Resources	Line 5.F	Liabilities not Covered by Budgetary Resources	Line 13
Total Liabilities	Line 6	Total Liabilities	Line 14
Unexpended Appropriations	Line 7	Unexpended Appropriations	Line 15.a.
Cumulative Results of Operations	Line 8	Invested Capital	Line 15.b. <b>Plus</b>
		Cumulative Results of Operations	Line 15.c. <b>Plus</b>
		Other	Line 15.d. <b>Plus</b>
		Future Funding Requirements	Line 15.e.
Total Net Position	Line 9	Total Net Position	Line 15.f.
Total Liabilities and Net Position	Line 10	Total Liabilities and Net Position	Line 16

Annual Financial Statement		Accounting Report (M) 1307	
<b>Balance Sheet</b>		<b>Statement of Operations and Changes in Net Position, Part II – Changes in Net Position</b>	
Total Net Position	Line 9	Total Equity-End of Period	Line 2
<b>Statement of Net Cost</b>		<b>Statement of Operations and Changes in Net Position, Part I – Statement of Operations</b>	
Total Program Cost	Line 1.C. <b>plus</b>	Total Expenses	Line 10 <b>plus</b>
Costs Not Assigned to Program	Line 2	Plus (Minus) Extraordinary Items	Line 12
Note: There may be a possible disconnect for the reconciliation of these two lines. The AR 1307, line 3 has GLAC 5600, which is in the Change in Net Position, line 2.C, GLAC 7110 and GLAC 7193, which are in the Statement of Net Cost, line 1.B.1 and GLAC 5910, which is in the Statement of Net Cost, line 1.D.			
Less Earned Revenue	Line 1.D.	Revenue from Sales of Goods and Services	Line 2 ( <b>reverse sign</b> )
Note: There may be a possible disconnect for the reconciliation of these two lines. The AR 1307, line 3 has GLAC 5600, which is in the Change in Net Position, line 2.C, GLAC 7110 and GLAC 7193, which are in the Statement of Net Cost, line 1.B.1 and GLAC 5910, which is in the Statement of Net Cost, line 1.D.			
<b>Statement of Changes in Net Position</b>		<b>Statement of Financial Position</b>	
Transfers-In	Line 2.E. <b>Plus</b>	Fund (Cash) Transfer <b>plus</b>	Line 15.b.(3)
Transfers-Out	Line 2.F.	Transfers In of Property <b>plus</b>	Line 15.b.(4)
		Transfers Out of Property less	Line 15.b.(5)
		FY98 (PY) Fund (Cash) Transfer less	Line 15.b.(3)
		FY98 (PY) Transfers In of Property less	Line 15.b.(4)
		FY98 (PY) Transfers Out of Property	Line 15.b.(5)

Annual Financial Statement		Accounting Report (M) 1307	
<b>Statement of Changes in Net Position</b>		<b>Statement of Operations and Changes in Net Position, Part II - Changes in Net Position</b>	
Prior Period Adjustments	Line 4	Plus (Minus): Prior Period Adjustments to AOR	Line 1.B.(2)
<b>Statement of Financing</b>		<b>Statement of Operations and Changes in Net Position, Part I - Statement of Operations</b>	
Depreciation and Amortization	Line 3.A.	Depreciation and Amortization	Line 7

Section IV. Reconciliation Requirements for the Annual Financial Statements and the Report on Reimbursements (DD 725) (General Fund and Working Capital Fund Reporting Entities)

Annual Financial Statement		Other Financial Reports	
<b>Statement of Budgetary Resources</b>		<b>Report on Reimbursements (DD 725)</b>	
★ Spending Authority from Offsetting Collections	Line 4	Total Reimbursements Anticipated	Column D